

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-808

December 2, 1999

BELL ATLANTIC-MAINE
Notice of Merger with GTE Corporation

ORDER APPROVING
MERGER WITH GTE

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

In this Order we approve the proposed reorganization of New England Telephone and Telegraph Company (NET) d/b/a Bell Atlantic-Maine resulting from a proposed merger between Bell Atlantic Corporation and GTE Corporation. Bell Atlantic Corporation is the parent corporation of NET, which is the operating telephone utility in Maine. Our approval is subject to the condition that Bell Atlantic-Maine must follow the Service Quality Assurance Plan that was filed in this docket on September 30, 1999 and that we have access to books and records of the merged corporation that are relevant to the activities of Bell Atlantic-Maine.

On August 25, 1999, we issued an Order on Reconsideration in this case. In that Order, we discussed Bell Atlantic-Maine's claim, stated in a letter filed on October 2, 1998, that it was exempt from needing approval under 35-A M.R.S.A. § 708(2) of the proposed reorganization because of an exemption contained in the Stipulation that the Commission approved in 1993 in *New England Telephone and Telegraph Company, Investigation of Reasonableness of Rates*, Docket No. 86-224, Order Approving Affiliated Interest Stipulation (July 16, 1993). We did not decide in the August 25th Order whether Bell Atlantic's claim of exemption was correct. Instead, we stated that we would consider approval of the merger if Bell Atlantic agreed to conditions related to service reliability, quality, and provisioning. We stated that if Bell Atlantic agreed, it should file a detailed plan for addressing the problems recently experienced by its Maine customers.

On September 30, 1999, Bell Atlantic responded to the Commission's Order by filing a Service Quality Assurance Plan. We consider the filing of the Plan to be a waiver, for this case, of Bell Atlantic-Maine's claim that it is exempt from needing approval of this merger pursuant to the Stipulation in Docket No. 87-224.

We have reviewed the terms of the Plan and find it generally reasonable for addressing the service quality, service ordering and repair service concerns that we outlined in the August 25th Order. As a condition of our approval of the merger, we will require Bell Atlantic to implement and comply with the proposals contained in the Plan. Assuming that Bell Atlantic expects efficiencies in savings from this merger, as it did from the earlier merger between NYNEX and Bell Atlantic, Bell Atlantic should pursue the goals of excellent service quality, service ordering and repair service for all parts for the State of Maine with the same vigor that it pursues the goals of efficiencies or enhanced revenues that it may expect to achieve from the merger.¹

¹Bell Atlantic made no specific claims in this case of anticipated savings or efficiencies because it made no formal filing in this case beyond the letter stating that it was exempt from the approval requirement.

